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SPEECH

OF

JABEZ L. M. CURRY, OF ALA.,

ON

EXPENDITURES AND THE TARIFF.

DELIVERED IN THE HOUSE OF REPRESENTATIVES, FEBRUARY 24TH, 1859.

The House being in the Committee of the Whole on the state of the Union—

Mr. CURRY rose and said :

Mr. CHAIRMAN: The Secretary of the Treasury, in his annual report, states the total expenditures of this Government, inclusive of the public debt, during the fiscal year ending 30th June, 1858, to have been \$81,585,667 76—a larger amount than has ever been expended, in one year, since the organization of this Confederacy. The expenditures for the present year will not fall below the sum just stated. The receipts from the ordinary sources of income do not meet our expenses. Two questions of no ordinary import are thus presented. Shall we increase our taxes—that is the word—*taxes*, to obtain revenue adequate to the present standard of expenditures, or shall we diminish those expenditures? On the joint solution of these questions hang issues of momentous consequence, affecting the prosperity and political standing, if not the liberties of this people. We must equalize our revenue and expenditures, or saddle upon the country a debt, for the discharge of which the productive energies and capacity of this country will be taxed to its utmost limit. Throw over it whatever disguise you may, the question is between retrenchment and economy on the one hand, and onerous taxes on the other. How can an American statesman and patriot hesitate in making an election?

As preliminary and necessary to the settlement of these questions, it behooves us diligently to inquire whether our disbursements cannot be curtailed, and, in the language of the President, “to institute a rigid scrutiny to ascertain whether the expenses in all the departments cannot be still further reduced.” I am aware that, with some people, the right place to commence a reform can never be found. Some appropriations, however indefensible, are too insignificant to be stopped, as if the smallness of the amount would convert a wrong into right. To cut off some of our useless foreign missions excites the holy horror of those who have been attached as tails to our embassies; to retrench in our army and navy is to cripple the administration of the Government; to make the Post Office, as it ought to be, self-sustaining, is to interfere with the extension of our commerce, the spread of our population, the security of the country, and the development of its various agricultural, commercial, and mineral sources. Theoretic Democrats ridicule, as dyspeptics, those who seek to arrest the tide of extravagance; newspapers, ambitious of organ-don, oracularly characterize as a “mania” the disposition to retrench and economize, and to bring back the Government even to what it was two years ago, and the constitution has almost as little influence over our legislation as the Koran or the Pandects.

The surest means of ascertaining whether our expenditures can be reduced without detriment to the public service, will be to compare them with former periods, when our country was but little less in territorial extent, and when the legitimate claims upon the public treasury were about as large as at the present time. In 1848, our total expenditures, exclusive of the public debt, were, in

round numbers, \$45,000,000, and in 1858, nearly \$72,000,000. The table which I have prepared shows the increase in several items during the decade from 1848 to 1858:

	1848.	1858.
Judiciary	\$593,654 81	\$1,062,631 61
Support and maintenance of light-houses....	419,277 80	1,162,857 51
Marine hospitals.....	140,995 50	376,806 96
Building hospitals.....	23,376 07	333,323 16
Building custom-houses.....	92,140 48	2,021,193 74
War Department.....	14,558,473 26	25,485,383 60
Navy Department.....	9,786,705 92	13,976,000 59
Deficiency from postage.....	22,221 96	5,564,495 00
And for this year.....		9,164,935 10

After the elaborate speeches of the Senators from Georgia and Virginia, [Messrs. TOOMBS and HUNTER,] and the able speech of my friend from Virginia, [Mr. GARNETT,] in this House, it would be an unnecessary waste of time in detaining the committee with a recital of the items in which reductions can be made.

All of our Democratic statesmen have urged upon the country the necessity of rigid economy, and the pernicious consequences of lavish and wasteful outlays of the public money. Jackson, Woodbury, Polk, and Pierce have insisted on a frugal administration as a fundamental tenet of Democratic faith. Mr. Calhoun, in 1836, said: "To make our country powerful, we ought to avoid any measure opposed to its development, and to make the smallest possible draft on its productive powers." Mr. Buchanan, in the same year, said the expenditures authorized at that session (and for the whole year they were but \$30,868,164.04) ought not to be considered as a standard for future years. As late as 1852, he denounced \$50,000,000 per annum, as an "*enormous sum*," and invoked the strong arm of the Democracy to interpose and arrest the increasing expenditure, lest it might, in the course of a few years, reach \$100,000,000. Our wisest statesmen have deprecated these large outlays, as unduly enlarging the patronage of the Government, corrupting public morals, debasing public sentiment, sapping the foundations of virtue, destroying the independence of the citizen, centralizing power, and "disturbing the nicely-adjusted balance between our State and Federal Governments."

A proper reduction will supersede the necessity of increased taxation. It is incumbent on those who urge a revision and increase of the tariff, not simply to assert, but to prove, that the expenditures cannot be so curtailed as to come within the estimated means. It is no just argument to allege that we need an increased revenue to meet the disbursements. The logical necessity is but half met. The *onus probandi* is but half removed. The expenditures, after severe economy and frugality, must be shown to be necessary to meet the proper wants of the Government. When that is done, and the means are insufficient, I will cheerfully vote to impose burdens on my people, but not until then, even though Pennsylvania should be lost to the Democracy in twice ten thousand Presidential elections.

I fear, Mr. Chairman, there is with some an ulterior reason for this zealous advocacy of increase of duties, and that is a desire for increased "protection." Large appropriations may be made to create the necessity for increased taxes. It might be going too far to ascribe such a purpose to a majority on this floor, but one might naturally infer, from the eagerness with which, by agricultural college and homestead bills, the public lands, as a source of revenue, have been surrendered, that there was a covert purpose to render it impossible for the present tariff to furnish sufficient revenue. It is a contradiction in terms, an impossibility, for a high tariff man to practice governmental economy and oppose extravagance. You may analyze the votes on all questions involving extravagant appropriations, or the surrender of sources of income, and the free-trade man is almost universally the advocate of economy and the opponent of excess, and *vice versa*. It is the men who desire bounties for particular in-

terests, whose special purpose is to get "protection," not revenue, from a tariff, that are clamoring for increased taxation. It is not consonant with human experience that men should covet burdens, and pray for taxes upon labor and industry, without hope or expectation of compensation. Those who desire protection, and those who receive in the disbursements of the Government more than is exacted from them, can well unite forces and use a temporary exigency, fast passing away, to change a tariff adopted by two-thirds of both Houses of Congress, and approved, in its main features, by the leading agricultural, commercial, and mining interests of the country. Agriculture, comprising near fifty per cent. of the population and five-sixths of the capital of the United States, and commerce, including millions of capital, and the mechanic arts, are as much objects of governmental favor as manufactures, and their products are as much the results of home labor and home industry.

Since the foundation of the Constitution, twenty-eight changes, thirteen general and fifteen special, have taken place in our tariff policy. These changes and modifications, particularly in 1824, '28, '32, '42, and '46, have elicited much discussion from our profoundest writers and statesmen. The power of truth has been seen and felt in the gradual abolition of high duties and approximation to free trade. The intelligent public sentiment has declared "protection" to be taxing profitable branches of industry to support the unprofitable—levying tribute on those which pay well for the benefit of those which do not—a tax on the productiveness of labor—"a warfare on the part of the manufacturing industry and those which are associated with it, against the export industry of the community and those connected with it"—a robbery or plunder of many branches of industry for the benefit of one branch, and a crippling of real home industry to support local or sectional capital. The total value of exports of domestic produce in 1853 was \$293,758,279. Of this amount, there were \$30,372,180 of manufactures, and a heavy exaction, amounting to millions of dollars, is wrested from the large amount to foster and protect those engaged in manufacturing.

The reciprocal free trade between the States of this Union is regarded as one of our chiefest blessings and sources of prosperity. The removal of restrictions between Canada and the United States has been attended with like salutary results. The establishment of separate governments in each State would not render less profitable the free interchange of their varied products. If restrictions, beyond our necessary economical expenses, to protect what is arrogantly denominated as *home industry*, be proper between this and foreign countries, wherein does the argument not hold good that States and counties and neighborhoods should levy like heavy exactions, and exclude competition foreign to their limits. But a few days since, without dissent, we passed resolutions, declaring it the duty of the Federal Government to use its utmost power, by negotiations or other constitutional means, to obtain a modification of the restrictions with which the trade in tobacco with certain foreign nations is clogged. Why should we require our ambassadors to negotiate favorable commercial treaties, extending our trade, when we impose heavy and unnecessary restrictions upon the productions of such countries? The governments of the old world are modifying their prejudices and liberalizing the laws of trade. Great Britain has relaxed her rigid navigation laws, and now derives two-thirds of her customs duties from articles that are produced exclusively abroad, such as coffee, fruits, spices, sugar, tea, tobacco, &c. The commendation of Napoleon I, by the gentleman from Pennsylvania, [Mr. MORRIS,] for the protection of beet sugar, was hardly promotive of his argument; for, although the production of beet sugar has been artificially stimulated, "the quantity of sugar consumed," says Wayland, "is probably less by one-third than it otherwise would be. England, with half the number of inhabitants, consumes two and a half times as much sugar as France," and the United States consume four times as much *per capita* as the nations of Europe.

I take issue with the gentleman from Pennsylvania, [Mr. MORRIS,] as to the relative influence of protective tariffs and low duties. Reduction of duties has invariably stimulated industrial interests, and given increased impulse to agri-

cultural, manufacturing, commercial, and navigating interests. Our exports of domestic produce, our tonnage, and our manufactures all increase under a low tariff. The tariff of 1846 very greatly diminished the duties of the act of 1842, and under its influence, although we passed through an expensive war, and witnessed the political and commercial revulsion of Europe in 1847, our commerce and revenue were largely augmented. A comparison of three years under the tariff of 1842 with a corresponding period under the tariff of 1846, will illustrate, at a glance, our relative growth and prosperity under the two systems. Our imports for 1844-5, and '6, exclusive of specie, were \$333,702,903, and for 1848-9, and '50, \$463,354,429. Our exports, exclusive of specie and foreign merchandise, for 1844-5 and '6 were \$299,705,146, and for 1848-9 and '50, \$396,814,023. Our tonnage ran up from 7,259,181 tons in 1844-5 and '46, to 10,023,512 tons in 1848-9 and '50. The manufactures of cotton exported in 1844-5 and '46, were \$10,772,189, and in 1848-9 and '50, were \$15,385,758. The exports of the produce of agriculture in 1844-5 and '46, were \$61,159,952, and in 1848-9 and '50, \$103,186,808; of cotton in 1844-5 and '46, \$148,570,485, and in 1848-9 and '50, \$200,379,877; and our total exports of domestic produce were, in 1844-5 and '46, \$301,156,848, and in 1848-9 and '50, \$402,517,988.

The gentleman from Pennsylvania also advocated a protective tariff, on the ground that the opposite system encouraged European labor and industry, and made us, to some extent, tributaries upon Europe. That is the old argument which has dinned our ears since the earliest discussion of this question. Its fallacy consists partly in the fact that our domestic productions cannot find a market at home. Last year we exported of the products of the sea, \$3,550,295; of agriculture, \$53,235,980; of cotton, \$131,386,661; of tobacco, \$17,009,767; and for these articles foreign nations give their products in exchange, and upon these products, supplied, in many instances, from 20 to 50 per cent. cheaper than they can be bought in America, we are asked to levy a heavy tax, lessening the ability of our customers to purchase from us, and, instead of buying where we can cheapest, to pay a heavy tribute to the capitalists who choose to invest in manufacturing.

If additional evidence were needed to show that this clamor is not excited by a desire to raise more revenue for the Government, it would be found in the fact of the persistent advocacy of the *specific* over the *ad valorem* system of assessing and collecting taxes. It may be hardly necessary to say that an *ad valorem* duty is one assessed in proportion to the value of the article paying the tax, and, whatever its rate, falls equally and impartially upon all consumers, and is, therefore, the most just and equal and honest; while a *specific* duty is—to adopt the definition of Edmund Burke, of N. H., in his able articles, written over the signature of “Bundelcund,” in 1845—“a certain, precise, and invariable sum, imposed upon all articles of the same kind, per pound, yard, gallon, bushel, or ton,” without reference to their quality, cost, or value, and is fraudulent, unjust, and deceptive, hiding from the consumer the amount of tax, and giving a heavy bounty to the manufacturer. If the Legislature of Alabama were to fix a uniform but arbitrary valuation on every acre of land in the State, taxing to the same extent the city lot in Mobile and an humble home in the mountains, it would be an extreme but intelligible illustration of the radical injustice of specific duties.

Mr. Clay, in the Senate, on the 1st of March, 1842, used this language: “What are the other principles of the act? (compromise act.) First, there is the principle that a fixed *ad valorem* duty shall prevail and be in force at all times. For one, I am willing to abide by that principle. There are certain vague notions afloat as to the utility and necessity of specific duties and discriminations, which I am persuaded arise from a want of a right understanding of the subject. We have had the *ad valorem* principle practically in force ever since the compromise act was passed; and there has been no difficulty in administering the duties of the treasury on that principle.” “Compare the difference between specific and the *ad valorem* system of duties, and I maintain that the latter is justly entitled to the preference. The one principle declares that the duty paid shall be upon the real value of the article taxed; the specific principle imposes an equal

duty on articles greatly unequal in value." "I say that, in theory and according to every sound principle of justice, the ad valorem mode of taxation is entitled to the preference." "I believe that, if we adopt a fixed rate, ad valorem, wherever it can be done, the revenue will be subjected to fewer frauds than the injustice and frauds incident to specific duties."

The gentleman from Pennsylvania [Mr. MONTGOMERY] has just said that every Democratic President advocated the principles for which he contends. For his benefit I will read from Mr. Polk's message of 2d December, 1845, who, after speaking of the injustice and inequality of the act of 1842, recommended to Congress the abolition of the minimum principle, or assumed arbitrary and false values, and of specific duties, and the substitution in their place of ad valorem duties, as the fairest and most equitable indirect tax that can be imposed. In this opinion concurred such eminent Democratic statesmen as Calhoun, Wright, Walker, Woodbury, Lewis, Hunter, and Cobb, and hence the repeal of the odious specific and minimum duties, and the substitution of the more honest and less protective ad valorem tariff of 1846.

Mr. PHILLIPS. I desire to ask the gentleman from Alabama if he did not vote for Mr. Buchanan for President in 1856; and if he did not know that Mr. Buchanan had, in the Senate, in 1842, delivered a speech in favor of specific duties?

Mr. CURRY. Certainly. I advocated Mr. Buchanan's election, and knew that he had made that speech: but having been a member of Mr. Polk's administration, under whose auspices the tariff of 1846 was passed, and from whose message I have just quoted, we had a right to infer, and did infer, that he approved that act and that message, which are in such palpable opposition to specific duties.

To proceed: Under the tariff of 1842, Mr. McKay, upon whom the gentleman from Georgia [Mr. STEPHENS] the other day passed such a high eulogium, *laudari a laudatis*, stated that *specifics* operated as protection from 28 to 270 per cent. Besides the covert protection, this cheating device increases the burden upon the poor and laboring classes, while it favors capital and exempts the rich from their just share in supporting the Government. I might easily make good this declaration by reference to the duties on salt, molasses, sugar, silks, &c., under the tariff of 1842. A singular and objectionable consequence of a specific duty is, that while it is nominally fixed, the tax is constantly increasing as the price of the foreign article is diminished, and hence a specific duty of 25 cents may be, and, if continued for years, will be, from 75 to 100 per cent., if not for more.

Sir, that "bill of abominations," attempted to be offered here on Monday by the gentleman from Pennsylvania, [Mr. PHILLIPS,]—the offspring of a combination between Black Republicanism and Pennsylvania Democracy—

Mr. HOWARD—(Interrupting.) Oh, no, there has been no combination, and it was not the bill of the gentleman from Pennsylvania.

Mr. CURRY. He fathered it, and now he disdains his own bantling.

Mr. HOWARD. Who?

Mr. CURRY. The gentleman from Pennsylvania, as I now understand, had nothing to do with it and does not approve it.

Mr. PHILLIPS. I will say that it was not a bill that I would have chosen, but I preferred it to no bill at all, and I offered it as a measure which I thought would be likely to demand some attention, and probably get sufficient votes to ensure a suspension of the rules for its introduction.

Mr. CURRY. Then the bill was the result of a combination.

Mr. HOWARD. There was no sort of interest felt as to what bill was introduced, because if the subject were brought before the House, it could then take any bill it pleased.

Mr. CURRY. Then the bill was not the child of the gentleman from Pennsylvania; he only adopted it as its foster parent. However that may be, the bill, under the guise of specifics, imposed a tax of from fifty to one hundred per cent. on many articles.

Mr. BLISS. I infer that the gentleman seeks to charge all who voted to suspend the rules with being favorable to that bill. I simply wish to say, that I

voted to suspend the rules, although I am unfavorable to the bill as reported, but in favor of some legislation. Many others entertain the same sentiment.

Mr. CURRY. I am glad to hear that all on that side do not approve the features of the bill. After this interruption, let me proceed with my argument.

The chief reason for specific duties is their alleged power to prevent fraud on the revenue. Experience has not demonstrated this capability. Under the act of 1842, the contested cases were numerous, and Alabama's most distinguished Senator, Dixon H. Lewis, stated in a speech in the Senate, that he was informed that four different rates of duty had been collected, at four different custom-houses, on trace chains, which were subjected to a specific duty. To avoid these imputed frauds, under the *ad valorem* system, specific duties are asked for, as stated by the gentlemen from Pennsylvania and Michigan, on commodities of equal or uniform value, which do not fluctuate in price. If the value is so readily ascertainable, and the price does not fluctuate, then the reason for specifics, the prevention of fraud, fails. Iron, now paying a tax of twenty-four per cent., it is urged, needs a specific duty. Now whoever heard of fraud being committed in under-valuation of iron, or by a false or fraudulent invoice? But, says the same gentleman, we want to keep out the inferior article. That is a matter safely to be entrusted to the good judgment and common sense of the buyer; and besides, the fraud is only transferred from abroad to this country, as the good articles will be adulterated and depreciated to suit the taste and pockets of the purchasers.

No, Mr. Chairman, the prevention of fraud is but the incident—a pretext. The history of the tariff legislation in this country shows no single instance of a change from *ad valorem* to specific duties on account of fraud. A higher rate of protection has been the inducing cause for a transfer from one schedule to the other, and that, to-day, is the controlling reason with the iron interest. Not content with exacting from the honest farmer and mechanic twenty-four cents on every dollar's worth of axes, hoes, planes, &c., they may buy, a deceptive and protective specific duty of a higher rate is demanded. Specific duties, during a series of years, are necessarily, if not originally, protective, and every man of common sense knows that protection to themselves, not revenue for the Government, and plunder, tribute, and exaction, are what the iron-mongers demand.

The gentleman from Ohio [Mr. STANTON] urged the adoption of specifics to give stability and uniformity of revenue, and cited the examples of Great Britain and other monarchical governments for our imitation. They furnish no criteria for us. Our systems of Government and domestic policy are entirely variant. There, Royalty claims divine right for its authority. Here, the Government springs from and exists for the people. There, State policy must be carried out, independent of the burdened millions. Here, administrations live, move, and have their being in the nostrils of the people. There, the crown, the nobility, the church establishments, the pensioned, must suffer no diminution of income, although a pestilence may rage in Ireland, and a war desolate Europe. Here, when disasters overtake us, the Government must stop its extravagance, lessen its exactions, and conform its policy to the people's necessities. Great Britain must have a permanent revenue, never falling below £50,000,000. Commercial crises, political revolutions, continental wars, change not her internal policy. Her expenditures never contract, in time of peace even, below a certain amount, and her patronage must never be diminished. Hence she adopts specific duties, as varying prices affect not her necessities, and must not cripple her resources. In America, free, republican, representative America, we repudiate such theories, and disavow such modes of government. Simplicity, economy, frugality, justice, honesty, equality, should characterize our action. As prices are depressed, as trade languishes, as general inactivity prevails, as commerce is paralyzed, as our national energies are benumbed, the Government, drawing its aliment from and sympathizing with the people, must suspend its material development, reduce its taxation, and conform its action to the condition of the citizens, and respect the vicissitudes which have overtaken them.

Mr. Chairman, I regard this question of the tariff connected with expenditures as overshadowing all temporary issues. If eighty or seventy millions of dollars are to be established as the permanent standard of expenditures, below which they are not to be reduced, the policy of the Government will be changed, the fruits of many victories will be turned into ashes, the powers of the States will be absorbed by a central head, federal patronage and influence will subsidize the States, corrupt personal and official integrity, and make the South "hewers of wood and drawers of water" for worse than Egyptian task-masters.

Of the effects of such a policy upon the Democratic party I have not time to speak. Of the just responsibility of that party for the existing condition of affairs, having the President and a majority in Congress, I do not seek to shield it; but in extenuation, it ought to be affirmed that obnoxious appropriations, enlarging patronage and swelling expenses, are generally passed by the other side, aided by the tariff interest on this. But a short while since, "free trade, low duties, no debt, separation from banks, economy, retrenchment, and strict adherence to the Constitution," was the rallying cry of the democracy. Under our banner, inscribed with these principles, we have gone forth to victory. The North, the South, the East, the West, all sections, have witnessed and shared in our triumphs. Our country has been extended, shackles from trade have been stricken off, the moneyed power has been divorced from the Government, proscription for birth or religion has been prevented, and bright-eyed progress has led our movements. Defeat has stimulated to renewed patriotic exertions, and triumph has enured to the benefit of the country. Is all this to be changed, and are an indignant people to drive us from power, as betraying our trust and betraying our professions? Hitherto, our strength has been in the purity of our principles and the constant adherence to them. Hitherto, we have, to a great extent, preserved the rights of the States and of the people. Now, we are divided, torn with dissensions, composed of inharmonious elements, and weakly held together by some occult, cohesive power. Sir, there is virtue, power, victory, invincibility yet in Democratic principles; but to secure and merit success, there must be a self-lustration and a speedy return to the rigid States rights and free trade principles of John Taylor and Jefferson, of Polk and Pierce, of Calhoun and Woodbury. On such alone can the Government be safely administered, and on such alone depend our security and prosperity.

